

THE IMPACTS AND IMPLICATIONS OF THE
ELIMINATION OF MAJOR CETA PROGRAMS

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ABSTRACT

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The Impacts and Implications of The Elimination of Major CETA Programs

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This paper sets forth a description of the purposes and related provisions of federally initiated employment programs beginning with the Manpower Development and Training Act of 1962 through the amendments of the Comprehensive Employment and Training Act of 1978. A review of the several employment and training programs adopted and operated over the twenty year period 1962-1982, provides a basis for understanding the rationale for the program provisions of CETA.

The paper lays out in broad outline the political currents and concerns for developing employment opportunities for minorities, underemployed and unemployed groups within the population over the twenty year span. Attention is given to the struggle for civil rights and to passage of the Economic Opportunity Act of 1964 and the retrenchment efforts as most exemplified by the Nixon and Reagan Administrations. Analysis is given of the impacts of the Reagan budget cuts, with special emphasis on the cuts in CETA programs. The

paper includes a summary of findings, with a section which lays out the general reductions in Atlanta CETA programs and a concluding section devoted to further implications of the elimination of certain CETA programs and reductions in others.

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I. INTRODUCTION

This paper is written as a result of the writer's interest and concern for the plight of the large numbers of unemployed and underemployed youth and adults in America, and the efforts by the the United States government to improve the quality of their lives, through the initiation of training and employment programs. This interest and concern grew out of an internship served with the Atlanta CETA Summer Youth Employment Program during the summer of 1981.

As efforts went, forward, in an exploration of the problems of unemployment and its negative impacts on youth and adults, attention was drawn to the activities of the sixties to improve upon the general standard of living for the nation's population as a whole, and particularly for the poor and minority elements of the population. It soon became clear that it would be necessary to examine the high points of the broad ranging legislation that was passed by the Congress during the sixties and the seventies, aimed at insuring civil rights and economic opportunities for the millions of poor and minority citizens of the nation.

The writer's interest was further heightened by the seriousness of the implications of the impending budget cuts proposed by the Reagan Administration, which would bring about drastic reductions in the already inadequate CETA

programs and other social programs.

The massiveness of the materials and the linkage of CETA to successive legislation modifications by the Congress, over the past twenty years, in matters of employment, imposed constraints on the scope of this paper. On one hand, there were numerous attitudes and proposals advanced over the success of previously established employability programs, in eliminating unemployment. On the other hand, there were criticisms about the management of those programs and who, at what levels, could improve their operations with maximum benefits going to the participants.

In an effort to reconcile the breadth and expansiveness of twenty years of operations of federally funded employment programs with the purposes, problems and implications of cut backs in CETA, it was necessary to set limits on the depth of analysis and description of each effort by the Congress. Therefore, this paper proceeds with a general statement of the purposes of each act, beginning with the Manpower Development and Training Act of 1962, down to the Comprehensive Employment and Training Act of 1973, including modifications and the impact of the budget cuts which reduced certain CETA programs and eliminated others. In order to highlight the specifics of those cutbacks, a section is devoted to the actual dollar amounts of the cutbacks on Atlanta CETA and the Atlanta metropolitan area.

II. METHODOLOGY

According to Earl R. Babbie in The Practice of Social Research, "Methodology (a subfield of epistemology) is defined as the science of finding out". Epistemology is defined as the science of knowing.¹ The method used for finding out and analyzing information will be an exploratory method. An exploratory study is conducted to explore a topic to provide a beginning familiarity with the topic. This is typical when researchers examine a new interest or when the subject of study is itself relatively new and unstudied.² According to Babbie there are three purposes why exploratory studies are done: (1) simply to satisfy the researcher's curiosity and desire for better understanding, (2) to test the feasibility of undertaking a more careful study, and (3) to develop the methods to be employed in a more careful study.³

Of the three purposes given by Babbie on why exploratory studies are done, this study fulfilled a curiosity and desire for better understanding of federally initiated employment programs during a selected period, 1962-1982.

¹Earl R. Babbie, The Practice of Social Research, (Belmont: Wadsworth Publishing Co., 1979), p. 7.

²Ibid., p. 85.

³Ibid.

Detailed attention is focused on the purposes, operations and cutbacks in the programs authorized under the Comprehensive Employment and Training Act of 1978.

Both secondary and primary data have been used in this study. The secondary data were extracted from government documents, books, pamphlets, periodicals, newspapers, Manpower Reports of the Presidents and public laws relating to employment. Some primary data were obtained through informal interviews with persons employed by Atlanta CETA, during and following the period of the internship with Atlanta CETA. Additional valuable information was obtained through interviews with administrative staff of the Regional Office of the United States Department of Labor, located in Atlanta.

III. BRIEF HISTORY OF FEDERAL EMPLOYMENT PROGRAMS-1962-1982

During the 1960s and 1970s, many employment and training acts were passed by Congress in order to eliminate the employment problems of the U.S. But only three of the many employment and training acts had as great an impact on the livelihood of the poor as The Comprehensive Employment and Training Act of 1973. These programs were; the Manpower Development and Training Act of 1962, the Economic Opportunity Act of 1964 and the Emergency Employment Act of 1971.

However, in many ways each program was an improvement over the previous program. Each program was carefully studied and researched by Congress and passed because of the need to eliminate problems and frustrations of previous programs. Although CETA was developed as an improvement over these programs, it was established as a decentralized and decatergorized manpower program with provisions authorizing the elimination of numerous programs previously enacted by the other three acts.

The first employment and training act of the period covered was the Manpower Development and Training Act of 1962 (MDTA), which was passed into law on March 15, 1962, as

Public Law 87-415.⁴ The purpose of MDTA was to require the Federal Government to appraise the manpower requirements and resources of the nation, and to develop and apply the information and methods needed to deal with the problems of unemployment resulting from automation and technological changes and other types of persistent unemployment.⁵

Specifically, MDTA was passed in order that displaced workers could be retrained to meet the requirements of what was anticipated to be a job market transformed by automation.⁶ Prior to MDTA, even in periods of high employment, many employment opportunities remained unfilled because of the shortage of qualified personnel. The language of MDTA proclaimed that it was in the national interest that current and prospective manpower shortages be identified and that those persons who can be qualified for those positions through education and training be sought out and trained.

The MDTA Institutional Training Program, initiated in 1962, provided instructions for occupations, such as auto mechanics and repair, general machine operation, welding, typing, stenography, general office assistance, and cooking-occupations already in the labor market demand.⁷ However,

⁴Manpower Development and Training Act of 1962, U.S. Codes: Congressional and Administrative News, vol. 1, 1963.

⁵Ibid.

⁶The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 11.

⁷Ibid., p. 12.

shortly after the MDTA Institutional Training Program was initiated, the rate of unemployment lessened and with it, some of the widespread fear that advanced technology would prove devastating to the U.S. job market.

The civil rights movement was underway and manpower program emphases shifted to providing greater assistance to the disadvantaged.⁸ The Civil Rights Acts of 1964 and 1965 had a great impact on employment and training programs because they were concerned then and are still concerned with equal treatment and equal opportunities of minorities. Hence during the civil rights movement a concern for manpower development programs turned from the composition of the job market to the components of the job force, therefore, recognizing the groups of people that were actually reached by the MDTA programs.

In essence, manpower programs are simply those programs which attempt to channel workers to jobs and jobs to workers. The channeling process was accomplished by preparing workers to fill existing jobs, by creating jobs for workers who did not have adequate employment opportunities or by providing referral and outreach programs which bridge the societal and geographical distances between workers and employment opportunities. Referral and outreach systems function to bring together workers and jobs, such referral programs operate in various ways as intermediaries between em-

⁸Ibid.

employers and prospective employees. All referral and outreach systems attempt to aid those disadvantaged by lack of information, inadequate skills or discriminatory practices.⁹

Hence for the disadvantaged, an overall approach of MDTA was to explore the interests and aptitudes of each trainee and to provide basic education, training, and supportive services on an individual basis in order to give each individual maximum help in overcoming his handicaps and becoming a productive member of the work force.¹⁰

Although the MDTA Institutional Training Program was the first effective employment and training program, it failed to reach a large portion of the target population for which the program was created. Therefore, a second employment and training act was created. The newly created training and employment programs were developed under the Economic Opportunity Act of 1964 (EOA), which was enacted into law on August 20, 1964, as Public Law 88-452.¹¹ EOA, an act to mobilize the human and financial resources of the U.S. in order to combat poverty, proclaimed that it was the policy of the U.S. to eliminate the paradox of poverty in the midst of plenty in the U.S., by opening to everyone the opportunity for education and training, the opportunity to work, and the

⁹Ibid., p. 5.

¹⁰Manpower Report of the President-1965, (Washington, D.C.: Department of Labor, March 1966), p. 3.

¹¹Economic Opportunity Act of 1964, U.S. Codes: Congressional and Administrative News, vol. 1, 1965.

opportunity to live in decency and dignity. Further, it was proclaimed that it was the purpose of this act to strengthen, supplement, and coordinate efforts in furtherance of that policy.¹²

In addition, EOA authorized programs to attack the causes of poverty, lack of education, poor health, absence of marketable skills and unstable family life. This Act helped to provide the poor people of America with the human skills and resources with which it was hoped that they would earn their rightful place in society. In the 1960's poverty was recognized as a national problem and EOA was a coordinated approach to eliminate the multiple causes of poverty.

The four new employment and training programs that were developed under EOA in 1964, in order to fight poverty and to aid young and disadvantaged persons were as follows:

- (1) Job Corps - The purpose of Job Corps was to prepare for the responsibility of citizenship and to increase the employability of young men and women ages 16 through 21 by providing them, in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources.
- (2) Neighborhood Youth Corps (NYC) - The purpose of NYC was to provide useful work experience opportunities for unemployed young men and young women, through participation in state and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out

¹²Ibid.

programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation of natural resources and recreational areas.

- (3) Work-Study Program - The purpose of the work-study program is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.
- (4) Work-Experience Program - The purpose of the work-experience program is to expand the opportunities of constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families.¹³

In addition to the EOA programs which were created in 1964, the Civil Rights Act of 1964 was also enacted into law. The Civil Rights Act of 1964 marks the culmination of efforts by many states and the Federal Government to place members of minority groups on an equal footing with other citizens. Its intention was to assure them equality of opportunity in every aspect of American life.¹⁴ Furthermore, this Act forbids discrimination based on race, color, religion, or national origin in employment, voting rights, education, public accommodations, public facilities, and participation in federally assisted programs.

During the 1960s minorities felt a need to be treated humanly and as equally as whites, therefore, the Civil Rights

¹³Ibid.

¹⁴Manpower Report of the President-1964, (Washington, D.C.: Department of Labor, March 1965), p. 35.

Act of 1964 had a great impact on the development of opportunities for minorities. The employment provisions of the Civil Rights Act of 1964, which became effective in July 1965, forbids discrimination on the basis of sex as well as race, color, religion, or national origin.¹⁵ This provision was applied to employers and unions in industries affecting interstate commerce, and to private employment agencies serving employers that discriminate. Employers are forbidden to discriminate not only in hiring and discharge, but also with respect to wages, working conditions, promotional opportunities, and training.

Additionally, the Civil Rights Act was created as a primary means of improving the level of living of the poverty ridden minorities by making possible a rise in occupational levels. This Act led to increased employment of black workers in occupations and jobs for which they were qualified. But despite advances, it was clear that more work had to be done and further progress had to be made in order to provide more equality in employment opportunities as a reality for all minorities.

The MDTA amendments of 1963 permitted expansion of the program to better serve out-of-school youths under age 19, persons who need basic education in order to pursue training, and those who could not afford, without supplementary allowances or part-time employment, to enter or remain in

¹⁵Ibid., p. 36.

training.¹⁶ Specifically, the amendments of MDTA called for a diversified nationwide training program, including on-the-job training, for persons who could not reasonably be expected to find full-time employment without training, with emphasis on family heads, youth between the ages of 19 and 21, and workers from low-income farm families. Although action under these programs rests on state and local initiative, the federal government is the major financial partner and the standard setter.

In addition to the new programs created under EOA in 1964, MDTA created the On-the-Job Training Program (OJT) in 1965 as an answer to the insufficiency of the MDTA Institutional Training Program.¹⁷ The OJT program was devised to place enrollees in jobs and to subsidize skill training as the new employees worked. Therefore, the Department of Labor enlisted the cooperation of private employers and employers associations in an attempt to coordinate the public and private sectors of the labor market for the purpose of aiding the poor.

In 1966, under the Nelson Amendment to the Economic Opportunity Act of 1964, Operation Mainstream (OM) was created as an income supplement program to provide work on community service projects for disadvantaged older persons, in order to demonstrate that older workers were productive and

¹⁶Ibid., p. 125.

¹⁷The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 12.

capable of acquiring new skills, thereby encouraging their placement in unsubsidized private jobs.¹⁸

In 1967, the Model Cities Program, authorized by the Demonstration Cities and Metropolitan Development Act of 1966, was a major effort to provide for the rebuilding of cities and the rescue of millions of city residents from poverty and inhuman living conditions.¹⁹ In 1967, the Concentrated Employment Program (CEP), the first single-sponsor of multi-service manpower programs was created.²⁰ CEP was launched to combine the various manpower programs of particular geographic locations to serve the needs and capabilities of the area, its institutions, and its unemployed residents. CEP's purpose was to provide a close-knit system for delivering manpower services for the disadvantaged. Each area program operated under CEP had four principal features: (1) Enlisting the active support and cooperation of business and labor organizations in local communities; (2) providing a wide range of counseling, health, education, and training services on an individual basis; (3) developing employment opportunities suited to each individual in the program; (4) providing the followup assistance necessary to assure that a job,

¹⁸Ibid., p. 14.

¹⁹Manpower Report of the President-1969, (Washington, D.C.: Department of Labor, April 1970), p. 130.

²⁰The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 15.

once obtained, will not be quickly lost.²¹

However, later in 1967, another employment and training program was created--the Work Incentive (WIN) Program. The Work Incentive Program was both a substantive program and a potential delivery system. Like CEP, the WIN program makes available to enrollees a complete range of manpower services. Unlike CEP, WIN serves only people on AFDC rolls.²² The purpose of WIN is to provide outreach, employment and training programs for AFDC recipients. WIN, although an employment and training program, was and still is operated under the 1967 amendment to the Social Security Act of 1932, but works in conjunction with the Department of Labor.

In yet another effort to assist the unemployed, the National Alliance of Businessmen and the Job Opportunity in the Business Sector Program (NAB-JOBS), developed in 1968, under MDTA had as its purpose to encourage private employers' involvement in manpower programs for the disadvantaged.²³ Thus, NAB-JOBS took on the same purpose of the On-The-Job Training Program.

In 1970, proponents of MTDA and EOA felt that great change had occurred because of the implementation of these two major programs. According to Andrew F. Brimmer, speaking

²¹Manpower Report of the President-1968, (Washington, D.C.: Department of Labor, March 1969), p. 195.

²²Manpower Report of the President-1969, (Washington, D.C.: Department of Labor, April 1970), p. 136.

²³The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 12.

at Tennessee A. and I. State University, on June 8, 1969,

So far in the decade of the 1960's Negroes have benefited relatively more than the population as a whole from the vigorous expansion of the national economy... Increased occupational mobility and significant strides in education have also played vital roles... Looking ahead over the next decade, the Negro community as a whole can be expected to improve their economic position to a greater extent than the population generally.²⁴

During 1969 and 1970, employment gains by blacks had been more than those by white workers over the past 8 years (1961-1969). In other words, black gains in job opportunities increased at a faster rate than that of their white counterparts. Although black gains were many for this period of time, whites still remained far ahead in employment opportunities than blacks. Aided by heavy demands for manpower during these years of economic expansion, blacks increased their employment.²⁵ Although blacks increased their employment during that period, there was still a wide and open gap between black and white employment and black and white salaries.

Although numerous employment and training programs had been created under MDTA and EOA, still another program evolved. The Public Service Careers (PSC) program. This program was created in 1970, in order to place disadvantaged adults and out-of-school youths in paraprofessional jobs with public and private nonprofit agencies which provided human

²⁴Manpower Report of the President-1969, (Washington, D.C.: Department of Labor, April 1970), p. 90.

²⁵Ibid.

services, such as health, education, welfare and housing.²⁶

A third act which had a tremendous impact on the creation of CETA was the Emergency Employment Act of 1971. The Emergency Employment Act of 1971 (EEA) was passed into law on July 12, 1971, as Public Law 92-54.²⁷ The Emergency Employment Act was an emergency piece of legislation sharply focused upon the crisis of high unemployment. This legislation, at the time of its enactment was designed to deal with an extremely serious national problem in a responsible manner for the immediate future.²⁸ This act was intended to be used only during a short period of time-during periods when long range and comprehensive legislation was being considered by the Congress in order to eliminate the national employment problem.

The Act dealt with a national emergency which had two parts:

- (1). The rapid increase in unemployment which has created substantial hardships for hundreds of thousands of individuals and their families; and
- (2). The inadequacy of many vital public services, some of which are being drastically curtailed because of lack of local and state revenues, severely aggravating problems in our most troubled cities and rural areas.²⁹

²⁶The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 14.

²⁷Emergency Employment Act of 1971, U.S. Codes: Congressional and Administrative News, vol. 1, 1972.

²⁸Ibid.

²⁹Ibid.

The Emergency Employment Act of 1971 (EEA) addressed both of these urgent national problems. During periods of high unemployment, the act authorized the appropriation of funds to enable state and local government agencies, and certain other eligible applicants, to hire the unemployed in jobs providing needed public services. The act, unlike the previous two acts, only appropriates funding to state and local agencies in order to hire the unemployed during high unemployment.

During the early 1970s, states and localities were gaining a significant new role in helping the federal government determine the orientation, allocation of funds and the identification of clients in their jurisdiction. The drive toward program decentralization and decategorization--or manpower revenue sharing--was part of the Nixon Administration's continuing effort to strengthen decision-making at the state and local levels and to coordinate the use of available funds with local market requirements.

A major feature of the Emergency Employment Act was the Public Employment Program (PEP), in which federal, state and local program administrators moved quickly to help counteract the effects of the economic slow down by putting a total of 226,000 unemployed and underemployed persons to work in public service jobs.³⁰ Furthermore, the combination of decentralization and decategorization of programs was

³⁰Manpower Report of the President-1972, (Washington, D.C.: Department of Labor, April 1973), p. 31.

designed to tailor manpower activities to area labor market conditions and to the needs of an area's target population. Therefore, PEP differs from manpower programs in that its primary focus was on subsidizing jobs and on narrowing the gap between needed and available public services, rather than on training or work experience for the individuals enrolled.

Nevertheless, several steps and procedures were initiated in order to improve the manpower delivery system. It was the feeling of the majority of the members of Congress that the new program must bring existing manpower programs and delivery systems under local direction and control by combining most programs operating in an area into a single grant under the sponsorship of the mayor, county executive, or some other designated elected officials.

Additionally in 1971, the proposed Manpower Revenue Sharing Act was sent to Congress as one of the special revenue sharing programs.³¹ This Act gave wide discretion to state and local governments in determining the use of manpower funds flowing into their jurisdictions, so that services could be tailored to fit the specific needs of the area. Although the proposal was not enacted into law, the principle of revenue sharing had been adopted through the General Revenue Sharing Act of 1972.³² The General Revenue Sharing

³¹Ibid., p. 32.

³²Ibid.

Act increased local elected officials' awareness of the potential influence they can exert over federal programs operating within their political jurisdiction.

MDTA, EOA, and EEA were being implemented at the same time, thereby causing many problems among federal, state, and local programs. Therefore, in an attempt, through decategorization, to eradicate inefficiency in the administration of those projects and through decentralization, to better provide for the disparate needs of separate localities, the Comprehensive Employment and Training Act of 1973 (CETA) was enacted.

The Comprehensive Employment and Training Act of 1973 was enacted into law on December 28, 1973, as Public Law 92-203.³³ The passage of CETA significantly advanced the movement toward a decentralized and decategorized manpower system. CETA shifted responsibility from the federal government to state and local governments and defined relationships between those levels of government and between governments and community based organizations with manpower interest. Decategorization is a method used to eliminate the inflexibilities of programs formerly administered from Washington. It promised to be a more direct way of meeting the disparate needs of separate localities. CETA repealed the Manpower Development and Training Act of 1962 and portions of the Economic Opportunity Act of 1964 and substituted a new public

³³Comprehensive Employment and Training Act of 1973, U.S. Codes: Congressional and Administrative News, vol. 1, 1974.

employment program from the Emergency Employment Act of 1971. CETA became operative on July 1, 1974, after a six month period of transition.³⁴

Decentralization under CETA works through a "prime sponsor" which may be a city or county with a population of 100,000 or more, or a consortium of local governments of which at least one unit has a population of 100,000.³⁵ The state assumes the role of prime sponsor for areas not covered otherwise--balance of state. The U.S. Department of Labor monitors prime sponsors to assure that revenues are spent in accordance with the general objectives of the legislation. However, CETA calls for making governors and the chief elected officials of major cities and counties responsible for planning and operating manpower programs.³⁶ These officials will decide on the mix of manpower services they will make available. The Act also authorizes the full range of manpower services.

Each state's share of funding is determined on the basis of a weighted three-part formula: (1) Its percentage of the previous year's national manpower allotment (weight 50%); (2) its share of national unemployment (weight 37.5%); and (3) the relative number of adults in families with an annual

³⁴The Job Ahead: Manpower Policies in the South, (Atlanta: Southern Regional Council, July 1975), p. 18.

³⁵Ibid., p. 39.

³⁶Manpower Report of the President-1973, (Washington, D.C.: Department of Labor, April 1974), p. 38.

income below the low-income level, defined as \$7,000 as of 1969 with subsequent adjustment in accordance with increases in the Consumer Price Index (weight 15.5%).³⁷

Programs of CETA

The Comprehensive Employment and Training Act of 1973 is composed of seven provisions. The seven original provisions are:

Title I - Comprehensive Manpower Services

This title establishes a program of financial assistance to local prime sponsors to enable them to provide comprehensive manpower services. These manpower services include all services needed to enable individuals to secure and retain employment. Such programs shall include the development and creation of job opportunities and the training, education and other services needed to enable individuals to secure and retain employment at their maximum capacity.

Title II - Public Employment Programs

It is the purpose of this title to provide employment for unemployed and underemployed persons with transitional employment in jobs providing needed public services in areas of substantial unemployment, and wherever feasible, related training, and manpower services to enable such persons to move into employment or training not supported under this title.

Title III - Special Federal Responsibilities

This title authorizes the Secretary of Labor to provide manpower services to certain segments of the population who are in particular need of them. In addition, this title provides special federal manpower programs for Indians, migrant and seasonal farm workers, authorizes youth programs and other special programs and provides for the continuation of the Job Corps under the Secretary of Labor.

³⁷Ibid., p. 39.

Title IV - Job Corps

The purpose of this title was to establish a Job Corps for low-income disadvantaged young men and young women, and sets forth standards and procedures for selecting individuals as enrollees in the Job Corps. This title also assists young persons who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsive, employable, and productive citizens, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

Title V - Authorization and Allocations

This title provides an open-ended authorization for FY'74 through FY'77. It provides that, of the sums appropriated in FY'74, \$250,000,000 and \$500,000,000 in FY'75 shall be reserved to carry out the public employment programs authorized under Title II.

Title VI - The National Commission For Manpower Policy

This title establishes a National Commission for Manpower Policy composed of administration officials and representatives of interested groups. The Commission is to conduct a variety of studies concerning manpower programs including a study of how various manpower and manpower related programs can be best coordinated.³⁸

In 1974, CETA was amended under the Emergency Jobs and Unemployment Assistance Act of 1974, enacted into law on December 31, 1974 as Public Law 93-567.³⁹ This Act amended CETA in order to provide additional jobs for unemployed

³⁸Comprehensive Employment and Training Act of 1973, U.S. Codes: Congressional and Administrative News, vol. 1, 1974.

³⁹Emergency Jobs and Unemployment Assistance Act of 1974, U.S. Codes: Congressional and Administrative News, vol. 2, 1975.

persons through programs of public service employment. The amendment was an effort to help reduce the unemployment rate of 1974.

Following are the provisions of the Emergency Jobs and Unemployment Assistance Act of 1974:

Title I - Public Service Employment

The Comprehensive Employment and Training Act of 1973 is amended by redesigning title VI by inserting after title V the following new title:

Title VI - Emergency Job Programs

There is authorized to be appropriated \$2,500,000,000 for FY'75 for carrying out the provisions of this title.

Title II - Special Unemployment Assistance Program

It is the purpose of this title to establish a temporary federal program of special unemployment assistance for workers who are unemployed during a period of aggravated unemployment and who are not otherwise eligible for unemployment allowance under any other law.⁴⁰

However, in 1978 CETA was amended for a second time. The 1978 CETA Amendments provided for a stricter targeting toward individuals most in need through revised eligibility, wage and tenure restrictions and for strengthened program management assistance and training, an improved management information system, and special activities to prevent fraud and abuse.

CETA was amended on October 27, 1978 as Public Law

⁴⁰Ibid.

95-524.⁴¹ The purpose of this Act was to amend the original act to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons, which would result in an increase in their earned income, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible, coordinated, and decentralized system of Federal, State and Local programs. It was the further purpose of this Act to provide for the maximum feasible coordination of plans, programs, and activities under this act with economic development, community development and related activities, such as vocational education, vocational rehabilitation, public assistance, self-employment training and social service programs.⁴²

Following is a list of the 1978 amendments to CETA:

Title I - Administrative Provisions

Gives rules, regulations and limitations for the Organizational and General Provisions of the Program, such as duties for the prime sponsors.

Title II - Comprehensive Employment and Training Services

The purpose of this title is to establish programs to provide comprehensive employment and training services throughout the Nation in order to ease barriers to labor force participation encountered by economically disadvantaged persons, to enable such persons to secure and retain employment at their maximum capacity,

⁴¹Comprehensive Employment and Training Act Amendments of 1978, U.S. Codes: Congressional and Administrative News, vol. 3, 1979.

⁴²Ibid.

and to enhance the potential for individuals to increase their earned income. Such programs shall include the development and creation of training, upgrading, re-training, education, and other services needed to enable individuals to secure and retain employment at their maximum capacities' so as to increase their earned incomes.

Title III - Special Federal Responsibilities

This title authorizes funds spent for the employment and training programs of special groups. Such groups include seasonal and migrant farm workers, Indians, Veterans and other special groups.

Title IV - Youth Programs

The purpose of this title is to provide a broad range of coordinated employment and training programs for eligible youth in order to provide effectively from comprehensive employment and training services to improve their future employability and to explore and experiment with alternative methods for accomplishing such purposes.

Title V - National Commission For Employment Policy

The purpose of this title is to establish a National Commission for Employment Policy which will have the responsibility for examining broad issues of development, coordination, and administration and employment, and training programs, and for advising the President and the Congress on national employment and training issues.

Title VI - Countercyclical Public Service Employment Program

It is the purpose of this title to provide for temporary employment during periods of high unemployment. It is the intent of Congress that such employment be provided during periods when the national rate of unemployment is in excess of 4%, and that the number of jobs funded shall be sufficient to provide jobs for 20% of the number of unemployed in excess of 4%, or 25% of the number of unemployed in excess of 4% in periods during which the national rate of unemployment is in excess of 7%.

Title VIII - Young Adult Conservation Corps

It is the purpose of this title to establish a Young Adult Conservation Corps to provide employment and other benefits to youth who could not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work and assist in completing other projects of a public nature on federal and non-federal public lands and waters.⁴³

Although there are differing opinions as to how the U.S. should improve the conditions of its people, it is significant that every strategy proposed emphasized manpower policies. However, each program was generated by a variety of economic, political and social factors in order to improve labor market conditions through the implementation of manpower programs.

In reflecting on the numerous acts and amendments passed by the Congress over the period from 1962 to 1978, it is obvious that CETA represents a continuation of program initiatives aimed at reducing unemployment and giving some relief to the plight of the poor, minorities and deprived people of the nation. The reductions in funding for CETA programs represents a reversal in policy initiatives targeted toward the masses of poor, unemployed, underemployed and minorities of which black Americans constitute a disproportionate percentage.

Certain specifics and details of the implications of the Reagan inspired budget reductions in CETA programs are discussed in the following section.

⁴³Ibid.

IV. SOME SIGNIFICANT FINDINGS

During the 1970s, as evidenced in the previous section, attention was focused on the problems of digesting the many and overlapping categorical programs, some competitive and many that addressed the conditions of the same target groups, in the same localities. But in the 1980s, the focus is on the problem of the lack of funding in order to operate these programs efficiently. Thus, because of Reaganomics, many federal programs have been completely eliminated. These programs were created to provide helpful and needed services for the poor, unemployed, underemployed and disadvantaged. Through CETA, the federal government emphasized training and programs for the disadvantaged and for the long-term unemployed, as well as improvements in the management of the program. Since the implementation of the Reagan budget cuts, CETA has become unable to fulfill its obligations to the poor and minority population for which the program was created.

In 1981, the Reagan Administration proposed tremendous budget cuts on all governmental services, except defense spending, as a proposed strategy to balance the budget and return authority and responsibility to the states. Clearly, the Reagan strategy has put military spending before the protection and well-being of the American people. The elimination of the public jobs portion of CETA was the most

radical change in Labor Department programs implemented by the 1982 Reagan budget plan. At the national level, the combined public jobs programs were among the biggest targets for liquidation in the entire budget. Reagan called for the termination of over 300,000 employees of the PSE programs by September 30, 1981.⁴⁴

The declining popularity of CETA jobs in recent years presaged the move to end them entirely. PSE included two types of employment programs, Title II-D, for the underprivileged victims of long-term "structural" unemployment; and Title VI, the "countercyclical" program for those unemployed by temporary economic downturns. After reaching a combined total of 725,000 in 1978, participation in the programs had fallen to 190,000 in Title II-D and 110,000 in Title VI as of January 1981.⁴⁵ Therefore, as a result of the decrease in program participation, PSE programs were eliminated.

However, both PSE programs were created to offer jobs in the public sector when the national unemployment rate exceeded four percent. Because of the high unemployment rate extending over long periods of time, the characteristics of applicants of both programs became rather similar.

⁴⁴U.S., Congress, House, Reagan Seeks Halt in CETA PSE; Ask Jobless Benefits Cut, by Harrison Donnelly and Dale Tate, 97th Cong., 1st sess., Congressional Quarterly, 10 March 1981, p. 457.

⁴⁵Ibid.

Prior to the Reagan budget cuts, the training and employment programs administrated by CETA included: the Skills Training Program, the Public Service Employment Program (PSE), the Youth Employment Program and the Private Sector Initiative Program. The Skills Training Program, the largest CETA program, provides clients with classroom and on-the-job training. The Youth Employment Program provides both jobs for young people and special training programs which improved their future employability. The Summer Youth Employment Program is also funded under Title VI.

The PSE programs provided jobs for people who had been unemployed for a long time. PSE participants were employed by local governments and by private non-profit agencies. An additional program of CETA was the Private Sector Initiative Program (PSI) which purpose is to train people for jobs in private industry. Under the PSI Program, Private Industry Councils were setup to offer remedial training programs which prepare CETA trainees for employment programs provided by specific companies. PIC also requested and received commitments from businesses to train and hire CETA participants.

Early in the development of the proposed budget, along with the elimination of PSE, the budget called for consolidation of certain other CETA programs into a single block grant. This would have led to the consolidation of youth programs into the adult CETA grants, therefore, forcing two youth programs to merge with the main program. This change would have ended the separate Youth Conservation and Com-

Community Improvement Projects (YCCIP) and Youth Employment and Training Programs (YEPT) in FY'82. But Congress felt that the consolidation would be unjust treatment of youth programs; therefore, abandoned the consolidation idea on June 2, 1981.⁴⁶ So the federal job training programs for young people retained their separate identity for at least another year.

Although YCCIP and YEPT were saved, the Young Adult Conservation Corps and the Interior Department's Youth Conservation Corps suffered elimination by the budget cuts.⁴⁷ However, another program for youths and adults, the Job Corps, was spared from consolidation and cuts in the operating budget.

A large portion of the Department of Labor reductions were related to the President's intention to revise entitlement programs in order to promote more efficient government and to encourage unemployed workers to search for jobs. However, the Reagan Administration supported the termination of PSE jobs because over the years CETA had been plagued with reports of fraud, abuse and waste. Therefore, the proponents of the elimination of major CETA programs believed that because of the fraud, abuse and waste on the program, CETA was considered as no help to the people it served.

⁴⁶U.S., Congress, House, Federal Youth Jobs Programs Extended Through FY'82, by Harrison Donnelly, 97th Cong., 1st sess., 1981, Congressional Quarterly, 6 June 1981, p. 1008.

⁴⁷U.S., Congress, House, Reagan Seeks Halt in CETA PSE; Ask Jobless Benefits Cut, by Harrison Donnelly and Dale Tate, 97th Cong., 1st sess., 1981, Congressional Quarterly, 10 March 1981, p. 457.

The Department of Labor's proposed budget and its reductions for FY'82 were as follows: the total budget is \$26.7 billion in outlays (expenditures), a decrease of \$7.8 billion were in CETA reductions.⁴⁸ All areas of CETA received budget cuts, but the tremendous impact was on PSE and Youth Demonstration Projects. The Department of Labor lost 1,009 employees of its immediate staff alone by the implementation of the budget cuts.⁴⁹

Studies have shown that CETA's PSE programs were considered as the cheapest form of job creation. While the net cost to the government of a PSE job slot in 1980 was approximately \$7,300, it was estimated that the same slot would have cost between \$30,000 and \$40,000 in tax incentives to private industry to encourage them to provide the same job opportunities.⁵⁰

After the implementation of the Omnibus Budget Reconciliation Act, the relationships between federal, state, and local governments changed tremendously. The relationships changed because for the first time state and local government agencies were in charge of operating their own programs without the interference of the federal government. Under the Omnibus Budget Reconciliation Act, the federal government,

⁴⁸U.S., Congress, House, The Federal Budget Cuts, Hearings before the Committee on the Budget. 97th Cong., 1st sess., 1981, p. 7.

⁴⁹Ibid.

⁵⁰Ibid.

under the Office of Inspector General, a division of the Department of Labor, only has the power to monitor state and local CETA programs required by federal regulations. The Reconciliation Act modified CETA by allowing cuts in its budget, in order to save money on services.

The Reconciliation Act was used as an important tool to restrain federal spending. The Act permitted the Congress to consider many spending reductions in one bill, while reserving to the committees the power to make recommendations for reductions in laws within their respective jurisdictions. The dramatic changes in federal spending were proposed under the guise of the need of having federal spending evaluated as a money saving effort, that was purportedly necessary, in order to wage an effective battle against high inflation and unemployment which has plagued the national economy for many years.

The Case of Atlanta

The city of Atlanta, like many other major cities, has suffered greatly because of the Reagan budget cuts. One reason is because Atlanta has a large black and poor population that depends very highly on government assistance and government projects. Under CETA, for the first time, many blacks had an opportunity to learn new skills. Although many persons considered these skills as being unmarketable and useless, it gave many participants a chance to obtain knowledge and experience.

In 1978, Atlanta CETA peaked at an all time funding

level of \$38,000,000 received in title monies and four discretionary grants from the Department of Labor for over 3,000 participants in the program during that year.⁵¹

Following is a chart that shows the level of funding for Atlanta CETA with a comparison of funding of FY'81 and FY'82.

CHART NUMBER I

CETA Title	Type of Activity	FY'81 Funding	FY'82 Funding	% Decrease
II-B	Training	\$5,195,080	\$4,218,282	18.8%
IV	Year-Round Youth Programs	\$1,634,442	\$ 470,652	71.2%
IV	Youth Demonstration Projects	\$ 589,643	-0-	--
VI/II-D	PSE	\$4,812,596	-0-	--
VII	Private Sector Initiative	\$ 653,070	\$ 608,578	6.8%
Total		\$12,884,831	\$5,297,422	58.9%

Source: Atlanta CETA Office

In FY'81, the funding level for Atlanta's CETA program was \$17,000,000 including staff salaries, but the allocation for FY'82 was reduced to \$5,752,000.⁵² First, reductions for the Skills Training Program were not as severe as for the Youth Employment and PSE programs. Funding for Skills Training had been reduced by 18.8 percent down from \$5,195,080 in

⁵¹The Impact of Federal Budget Reductions On Fulton County, (Atlanta: Research Atlanta Inc., April 1982), p. 48.

⁵²Ibid., p. 49.

FY'81 to \$4,218,282 in FY'82. In FY'81, the Skills Training Program served 28,018 participants, but for FY'82, 1600 participants are expected to be served.⁵³

Secondly, Title IV: Year-Round Youth Programs served 1,034 participants in FY'81 at a funding level of \$1,634,442; however, for FY'82, 230 participants are expected to be served by the program at a reduced funding level of \$470,652, which is a reduction of 71.2 percent from the previous year. The Youth Demonstration Projects were also operated under Title IV. In FY'81, the Youth Demonstration Projects served 157 participants at a funding level of \$589,643; however, after the implementation of the Omnibus Budget Reconciliation Act for FY'82, the program was eliminated in its entirety.

Another set of important programs impacted by the Reagan cuts were Titles II-D/VI: Public Service Employment Programs, which served 1770 participants during FY'81 at a funding level of \$4,812,596; however, for FY'82 the programs were eliminated entirely.

The Title VII: Private Sector Initiative Program, whose aim is to conduct classes and seminars to help participants get private sector jobs and counsel them on how to keep a job once they have obtained it, also suffered a reduction. For FY'81, the Private Sector Initiative Program received funding of \$653,070 and for FY'82 received \$608,578, a 6.8 percent decrease in funding.

⁵³Interview with Nelson Melavanda, Atlanta CETA Office, Atlanta, Georgia, 18 November 1981.

Totally, Atlanta CETA received cuts of 58.9 percent on its funding level; therefore, causing great stress on CETA participants and negative impacts on Atlanta's economy. According to Wynne Montgomery, Deputy Director of Atlanta CETA,

The present level of funding will expire September 30, 1982. After September 30, 1982, I am not sure where the funding will come from or if there will be reauthorization of funding by Congress. However, since the grant was not renewed in FY'81 for FY'82, CETA has been operating at the previous FY'81 level under a continuing resolution for one year and after then who knows. ⁵⁴

There are two additional comments appropriate for comparisons given in chart number 1. Firstly, the PSE figure represents the final allocation after a \$5,377,404 cut during FY'81. Secondly, the figures in the chart do not include the allocations for the Summer Youth Employment Program (SYEP). Previously, the funding received for SYEP was \$2,722,397 for FY'81, but the allocation expected for SYEP for FY'81 is \$2,252,813.⁵⁵ However, the Reagan reductions did not only impact on the participants of CETA, but also the operating staff of the Atlanta CETA Office. Out of 150 operating staff members, only 30 staff persons remain after the budget cuts; therefore, showing that 120 staff persons lost their jobs.

The Atlanta Region, including the surrounding counties in the metropolitan area have felt the results of the cut.

⁵⁴Interview with Wynne Montgomery, Atlanta CETA Office, Atlanta, Georgia, 2 November 1981.

⁵⁵Interview with Nelson Melavanda, Atlanta CETA Office, Atlanta, Georgia, 18 November 1981.

backs tremendously. Following is a chart that provides data about CETA in the Atlanta Region.

CHART NUMBER II

Employment:	FY'81 Budget Estimate	FY'82 Re- vised Budget Proposal	% Difference Estimate Proposal
CETA PSE	\$14,800,000	-0-	-100%
CETA Training	\$10,300,000	\$9,100,000	-12%
Emp. Service	\$ 2,800,000	\$2,300,000	-17%

	Clients Served in FY'80		Clients Affected By Reductions	
	Total #	% Low Income	Total #	% Low Income
CETA PSE	5,600	96%	5,600	96%+
Emp. Service	63,500	46%	10,800	46%

Source: Atlanta Regional Commission

The above chart shows that at least 96% of the participants of the PSE programs came from low-income families and at least 46% of those participants receiving employment services came from low-income families. However, there are four basic concerns that can be drawn from the above chart:

- (1) 5,600 persons employed in PSE, in the Atlanta Region, lost their jobs.
- (2) 10,800 fewer persons received placement, counseling and other employment services.
- (3) Training opportunities for unemployed and under-employed persons were reduced by at least 20%.

- (4) Special federal programs addressing youth unemployment were abolished and other youth programs will have to compete for funds from already reduced programs designed to serve adults.⁵⁶

Prior to enrolling in CETA more than 90 percent of the participants were unemployed in part because of the lack of marketable job skills and education requirements.⁵⁷ Therefore, these factors of unemployment can be considered as some of the reasons why CETA workers were forced to turn to the federal government for help in the first place, such as help in public assistance and the creating of training and employment programs. Many CETA participants are characterized by low-skills and little education. Therefore, competition for jobs in the market place was very difficult and near impossible for them to enter.

The level of education plays a major role in our society. Education plays a major role because many times the job one receives is according to the level of education one possesses. Education is just as significant today as it was in previous years, such as the 1960s and 1970s. According to the U.S. Department of Labor, education is significant because since 1973 labor force participation rates for persons with at least some college education have increased

⁵⁶Impact of Federal Aid Cuts On Atlanta Region.
(Atlanta: Atlanta Regional Commission, July 1981), p. 2.

⁵⁷The New Federal Budget and The South's Poor.
(Atlanta: Southern Regional Council, February 1982), p. 26.

noticeably; however, the rates for persons with less than a high school education have decreased.⁵⁸ If the only increase in job opportunities was for college educated persons, then the poor, disadvantaged, unemployed and underemployed persons were not included. Many of these persons turned to CETA because there was no where else for them to turn, because many of them could not get employment or learn new skills on their own.

In other words, the gap in employability between those with increased education and those without is widening. For CETA workers, most of whom were low-skilled with very little education, the differences had been the barriers that kept them out of the usual job market before CETA.

Furthermore, the larger increases among the least educated partially reflect changes in unemployment rates in the different occupations. Persons who did not graduate from high school are more likely than graduates to work as blue collar and service workers, the groups with the largest increases in unemployment rates between 1973 and 1978.⁵⁹

Many of the same or similiar findings can be found within other major cities, especially those that depend heavily on the federal government for assistance. However, the major concern here is the affect of Reaganomics on Atlanta and its poor.

⁵⁸Ibid., p. 27.

⁵⁹Ibid., p. 30.

V. CONCLUSION

President Reagan's economic recovery package is a series of programmatic and budgetary changes designed to slow inflation, encourage savings and investments, stimulate economic growth, and strengthen the military. The plan of the budget was created to reduce the growth of the federal budget over the next five years, cut personal taxes 25 percent over the next three years, reduce business taxes through accelerated depreciation, and increase significantly the relative share of the budget for national defense.

According to President Reagan,

Granted that any program of any size, certainly any government programs, are going to have some fall-out and some errors and confusion, but what we call the safety net is still in place, and benefits are still maintained. Where the cuts have come is around the periphery where we--and some may be hurt more than others--but where people have other income in addition to their public grants--but those that are totally dependent on government, that is our obligation and nothing is going to happen to them.⁶⁰

Although vast numbers of Americans agree that the rate of growth in federal spending should be decreased and inflation brought under control, yet the President's approach remains untested and controversial. However, the Reagan Administration does not show concern for the adverse impact on the

⁶⁰The New Federal Budget and The South's Poor,
(Atlanta: Southern Regional Council, February 1982), p. i.

poor, blacks and other racial minorities.

The Reagan Administration suggested that the Public Service Employment programs of CETA, eliminated without a replacement, had been ineffective. The Administration justifies its thinking by stating, "PSE jobs were not real jobs, the real jobs are in the private sector; therefore, the thrust should be toward the private jobs".⁶¹ Thus, the assumptions behind these governmental actions are baffling and disturbing, persons affected by these cuts must accept them and live with them. Even with CETA in existence, operating full strength, the official rate of unemployment for the nation in the last five years hovered around seven percent, while that for blacks during the same period averaged about 12 percent.⁶² Although the rates are high, the unemployment rate among black teenagers is more than double that of their white counterparts.

Presently, the national unemployment rate is 9.5 percent, the highest it has been since World War II. This rise in the unemployment rate, which mostly affects blacks and the poor, has happened in an economy that is increasingly demanding workers with education and specific skills. Most of the former participants in the PSE programs now face a dim and bleak prospect of immediate unemployment; therefore, their future chances are unknown. While the extraordinary rate of

⁶¹Ibid., p. 28.

⁶²Ibid.

poverty among blacks is justified by their increasing disproportionate numbers in government programs, the reduction in benefits and recipients will hit blacks more often than whites. The truly needy are being abandoned by the present administration and its policies. The new policies only leave little, to no relief for the poor, disadvantaged, unemployed, and underemployed.

The outlook for continued black progress, most especially for black people locked into a desperate struggle for economic survival, is bleak. The gains of blacks in the 1960s and 1970s, have eroded in the 1980s. Because of the Civil Rights Acts and special employment and training programs, blacks were given a chance in employment opportunities, but as it stands now, those opportunities are in a forgotten era.

Budget cuts are considered as the most tangible indicators of the changes being made at the national level; therefore, one can observe the impact because of the cuts on not only CETA, but all social programs that help blacks and other minorities and the poor. The budget reductions have caused a change in intergovernmental relationships as the federal government reduces its commitments to both state and local governments. Although, supporting the poor is considered as a national problem, the national government is now leaving this problem to states and localities.

According to Mrs. Ollie Davis, of the Clark College Policy Center,

There is a new employment and training program before Congress now, but no one knows if it will be enacted by the beginning of the new fiscal year (FY'83) or not, or if CETA will be eliminated in its entirety. The new employment and training program may keep the CETA name for one year, under new rules and regulations; or the program may be changed altogether. However, the essence of the new program will not be announced until late August or September.⁶³

Many members of Congress believe that CETA should be eliminated altogether and others believe that portions of CETA should be kept and used because they were beneficial to the participants of those programs. However, a new employment and training program may not alleviate the problems Reagan has forced on this country. Throughout history, it has been known that something has been found wrong with each employment and training program created since the 1960s; therefore, implying that there will probably be no perfect program.

According to Vernon E. Jordan, Jr.,

Most Americans refuse to come to grips with the fact that one-third of their fellow citizens are poor or near poor. These poor and near poor face pressures on families created by unemployment, by double-digit inflation, by impacted neighborhoods, poor health services, inadequate schools and the unavailability of resources to combat those problems.⁶⁴

These special problems continue to devastate the black community. The budget cuts are only a new beginning of deadly impacts and frustrations blacks must face.

The rise in the unemployment rate has induced increased

⁶³Interview with Mrs. Ollie Davis, Clark College Policy Center, Atlanta, Georgia, 2 June 1982.

⁶⁴"The Grim Outlook For Black Progress", U.S.A. Today, (New York: U.S.A. Today Publishers, November, 1981), p. 441.

pressure within the social system. These increases induce stress not only on those persons unemployed by the cuts, but also the entire community. Crime will be one of the problems communities must face. Crime in Atlanta and other major cities has been on an increase within the past year. Criminologists have emphasized that unemployment does give rise to crime.

During the early period that CETA was in operation there was no specific population targeted, no income limits, minimal eligibility requirements and goals were broadly defined. But in 1978, the amendments tightened the requirements and targeted the program toward the disadvantaged and underemployed. The public believes that there are more blacks than whites in the CETA programs because this is what white America wants blacks to believe. But it has become known that there are more whites than blacks in CETA, even in some areas or cities where minorities make up a large portion of the population.

The ideal test of the new budget should be whether it meets the needs of the nation, while providing poor people with opportunities to join the mainstream. But the budget failed the test because the budget does not provide adequately for the poor.

Under the new budget, states and localities have more power over federal programs. Some state and local authorities made an argument for putting control of programs closer to the people they serve, but local authorities are far more

vulnerable to local power structures and voting blocs than they would be if those programs remained under federal supervision and inspection. According to Vernon E. Jordan, Jr.,

Black people could teach the nation a bit about states' rights. Blacks know states rights mean separate and unequal lives. We know that today, state administration of federal programs is inefficient and often discriminatory. We know that state and local administrations are a large portion of the reason why eligibility rules are ignored to the extent that nearly half of black welfare families are excluded from medicaid.⁶⁵

Mr. Jordan's statements about the state and local governments operating federal programs are true. They are true because the southern blacks, more than any other group know about the injustice forced upon minorities. Mr. Jordan further states,

That we must educate the American public to the need for key social programs and explode the Big Lie that those programs do not work. In fact they do work. Job Corps graduates get better jobs than those without training in that program. White people are in the majority in CETA jobs and in most of the programs bearing the "black" label. Defending the forgotten white poor.⁶⁶

Blacks are told that we are the blame for inflation and economic stagnation, but the special programs were created to protect those victimized by the economy's failure. The cost of implementing federal programs for the disadvantaged would only cost a fraction of the cost the U.S. spends for defense. The writer believes that funds spent on programs for the poor

⁶⁵Ibid., p. 46.

⁶⁶Ibid.

will not make a large dent in the economy; therefore, will not cause major problems under federal spending.

The truly needy of the U.S. are being abandoned by the Reagan Administration. This Administration has offered nothing that signifies an attempt to redo any misjudgements of the past few years; therefore, the government must redirect its role in helping poor citizens become productive, tax-paying citizens. If the Reagan Administration's effort continues at its present level, the poor--both those poor who now work and those who do not work--shall face a future of crippled opportunities.

One must remember that the fraud, abuse, and waste in CETA were not perpetrated by the program participants, but by the administrative staffs, mainly because of the lack of supervision by the Department of Labor. The Department of Labor gave the administrative staffs of CETA too much flexibility in the operation of the programs, delivery of services and the distribution of funds. The Department of Labor also lacked adequate monitoring of the program operation, or to determine if the target population was actually receiving the services intended.

No one denies that CETA needed reforms, but the budget cuts were an inadequate method of reform. The budget cuts were not effective because persons cut from CETA, especially by the elimination of PSE and the Youth Demonstration Projects, that have helped many persons since their beginning, had to seek assistance from other public programs

which rely on public budgets. Thus, it is a case of robbing "Peter to pay Paul".

A new employment and training program is in the making. Hopefully, this new program will be better structured, funded, and operated than the previous employment and training programs.

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